

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

IN RE: ONEJET, INC., Debtor. ROSEMARY C. CRAWFORD, Chapter 7 Trustee, Movant, COMMONWEALTH OF PENNSYLVANIA DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT and REDEVELOPMENT AUTHORITY OF ALLEGHENY COUNTY, Respondents.	Bankruptcy No. 18-24070-GLT Chapter 7 Related Doc. Nos.: 222, 245, 247, 266
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**MOTION FOR AN ORDER CONTINUING THE AUCTION OF SUBSTANTIALLY
ALL OF THE DEBTOR'S INTELLECTUAL PROPERTY AND RESCHEDULING THE
SALE CONFIRMATION HEARING**

Rosemary C. Crawford (the “Trustee”), the chapter 7 trustee for the estate of OneJet, Inc., by and through her undersigned counsel, files this *Motion for an order continuing the Auction of Substantially all of the Debtor's Intellectual Property and Rescheduling the Sale Confirmation Hearing* (the “Motion”), and in support thereof states as follows:

JURISDICTION AND VENUE

1. The United States Bankruptcy Court for the Western District of Pennsylvania (the “Court”) has jurisdiction over this Motion pursuant to 28 U.S.C. § 1334. This matter is a core proceeding under 28 U.S.C. § 157(b) (2). Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

2. The statutory predicates for the relief requested herein are sections 105 and 363 of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (the “Bankruptcy Code”), and Rules 6004 and 9014 of the Federal Rules of Bankruptcy Procedure (“Bankruptcy Rules”).

FACTUAL BACKGROUND

3. On the October 17, 2018, petitioning creditors filed an involuntary petition for relief under chapter 7 of title 11 of the Bankruptcy Code against OneJet, Inc. (the “Debtor”).

4. On November 13, 2018, the Court entered an order for relief [Doc. No. 28], granting the Petition against the Debtor.

5. On November 13, 2018, the Trustee was appointed to administer the estate of the Debtor.

6. On February 27, 2019, the Court entered an order authorizing the employment of the law firm of Bernstein-Burkley, P.C. as special counsel for the Trustee (“Special Counsel”).

7. The Debtor is a California corporation and was primarily engaged in airline transportation services.

8. The Debtor owns various intellectual property pertaining to systems, methods, and machine-readable storage media for interfacing with a computer flight system. The Debtor’s intellectual property includes certain patents and trademarks.

9. On June 23, 2019, the Trustee *filed a Motion for Entry of an Order Approving (i) Bidding Procedures for the Sale of Substantially all of the Debtors Intellectual Property and (ii) Form and Manner of Sale Notice* (the “Bidding Procedures Motion”)[Doc. No. 220].

10. Simultaneous, the Trustee also filed *Motion Entry of an Order (I) Approving Sale of Substantially All of the Debtor’s Intellectual Property Free and Clear of Liens, Claims and Encumbrances and (II) Granting Related Relief* (the “Sale Motion”)[Doc. No. 222] and an

application to employ Sherwood Partners, Inc. (“Sherwood”) to serve as Sales Agent [Doc. No. 218].

11. On October 29, 2019, the Court entered an order approving the employer of Sherwood as sales agent to assist in the sale process [Doc. No. 246].

12. The Court also entered an order granting the Bidding Procedures Motion (the “Bidding Procedures Order”) [Doc. No. 247].

13. Pursuant to the Bidding Procedures Order, an auction sale was scheduled for December 03, 2019 (the “Auction Sale”) to be held at Special Counsel’s office. Additionally, the Court entered a text order [Doc. No. 245] scheduling a sale confirmation hearing for December 05, 2019 at 10:30 a.m. (the “Sale Hearing”).

14. In accordance with the Bidding Procedures Order, the Trustee filed Notice regarding a *Notice of (I) Sale of Substantially All of The Debtor’s Intellectual Property Free And Clear of Liens, Claims, Encumbrances, And Interest; (II) Auction; And (III) Sale Confirmation Hearing* (the “Sale Notice”) [Doc. No. 266].

RELIEF REQUESTED

15. By this Motion, the Trustee respectfully request that the Court continues the Auction Sale to February 07, 2019 at 1:00 p.m. and reschedules the Sale Confirmation Hearing within ten days from the Auction Sale.

16. The Trustee continuation of the Auction Sale and the Sale Confirmation Hearing as the filing of this Motion the Trustee has not received any offers for the purchase of the intellectual property.

17. While The Trustee and Sherwood have closely worked together in the last several months in preparation for the sale, however, these efforts have not resulted in a viable offer to present to the Court for approval.

18. Special Counsel and Sherwood have constantly conferred in the last several months regarding marketing strategy, potential buyers, and strategic planning.

19. Specifically, Sherwood heavily and actively marketed the intellectual property by executing the following efforts:

- a. Researched and prepared a non-confidential sale memorandum describing the assets subject to the sale;
- b. Researched key categories of target buyers based on Sherwood's prior transaction in the aviation sector;
- c. Developed a list of 125 prospective buyers within the following categories: (i) U.S.-based regional and charter airline carriers, (ii) international regional and charter airline carriers, (iii) airline systems and service providers, (iv) major airlines – U.S. and international, (v) other technology and transportation companies, (vi) patent acquirers;
- d. Researched contacts at each of the prospective target companies. Contacted target companies in successive rounds of outreach both by phone and email communications;
- e. Researched several airline carrier and aviation trade organizations for potential marketing to such organizations' member lists.;
- f. To date, Sherwood facilitated the execution of non-disclosure agreements with five (5) companies, three (3) of which have since passed; the remaining two (2)

companies under NDA have not yet completed their due diligence and evaluative reviews. In addition, four (4) additional companies had expressed a level of interest to review the assets but have not yet responded conclusively with their desire to execute a non-disclosure agreement;

- g. Established an online virtual data room for buyers under non-disclosure agreements to review confidential information about the assets; and
- h. Facilitated telephonic discussions of the software and intellectual property with any buyers;

20. In addition, Special Counsel complied with the local rule advertisement requirements by posting the Sale Notice on EASI on November 13, 2019.

21. The Sale Notice was also published on the Legal Journal of Allegheny County Bar Association on November 8, 2019 and on the Post-Gazette on November 15, 2019.

22. Sherwood received responses from approximately seventy (70) of the prospective buyers, of which sixty-one (61) had passed prior to executing a non-disclosure agreement and formally reviewing the opportunity.

23. Although no offers have been received, Sherwood continues to liaise with all of these companies which have expressed interest in the assets. In addition, Sherwood continues to reach out to companies which had not yet responded to prior outreach.

24. Moreover, Sherwood continues to research other categories of buyers and/or other prospective buyers to target in its additional advertisement efforts.

25. The Trustee and Sherwood believe and therefore asserts that it is in the best interest the bankruptcy estates and the creditors to continue and reschedule the Auction Sale and the Sale

Confirmation Hearing to allow additional time to explore the market and maximize the exposure of the sale to potential buyers.

26. The parties have invested significant time and efforts in the sale process and expect that additional time will maximize the probabilities of finding a buyer for the assets.

27. The continuance of the Auction Sale and the Sale Confirmation Hearing, will allow the parties to continue to work together to best ascertain the value of the assets and where to focus their efforts to find a potential buyer.

28. Accordingly, the Trustee respectfully request that the Court continues the Auction Sale to February 07, 2019 at 1:00 p.m. and reschedules the Sale Confirmation Hearing within ten days from the Auction Sale.

29. Upon the approval of this Motion, the Trustee will serve a renewed Sale Notice with the updated Auction Sale, bidding deadline, and Sale Confirmation Hearing on the entire mailing matrix.

WHEREFORE, the Trustee respectfully request the entry of an order continuing the Auction Sale and rescheduling the Sale Confirmation Hearing.

Dated: November 27, 2019

BERNSTEIN-BURKLEY, P.C.

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